CEAB: POM-06 Environment

6 Aug 2003
LtCol Mays (DC, CD)
LtCol Miller (DC, P&R)

Outline

- ***Introduction***
- POM-04 / PR-05 Recap
- CE ARL
- POM Process
- ARL Process
- POM-06 Road Ahead

Balancing Priorities

SECDEF's
Top Priorities

1. Readiness
2. Transformation
3. Select Modernization
4. Increase Tooth-to-tail
5. Priority Infrastructure

-DPG 2003

SECNAV's
Top Priorities

1. Train, Deter, Fight & Win Nation's Battles
2. Emphasize Quality of Service
3. Advance Technology and Sustain Robust S&T Effort
4. Business Practices

-2003 Strategic Guidance

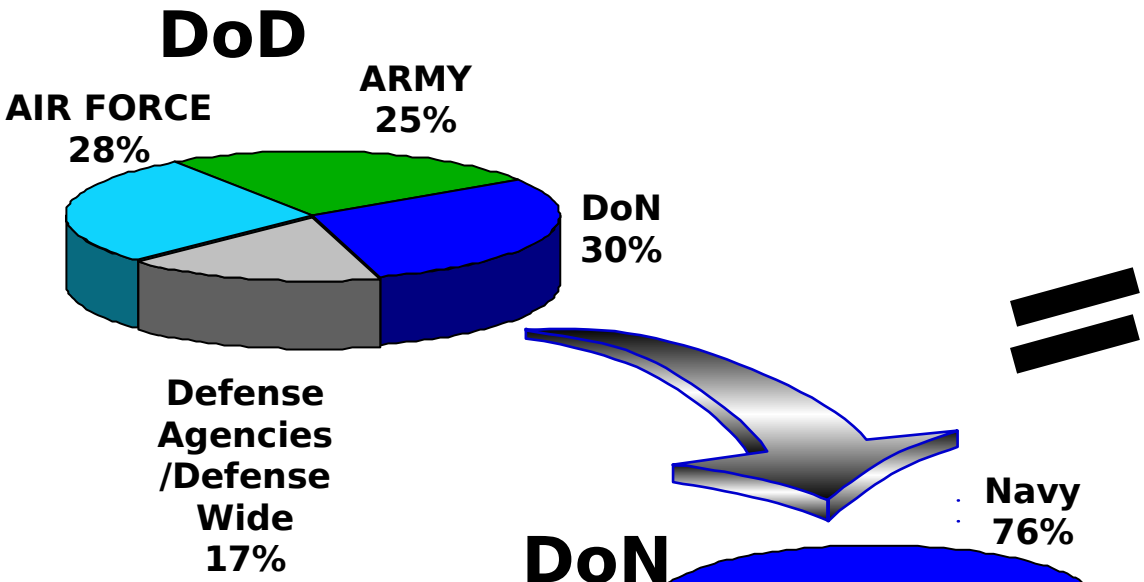
CMC's
Top Priorities

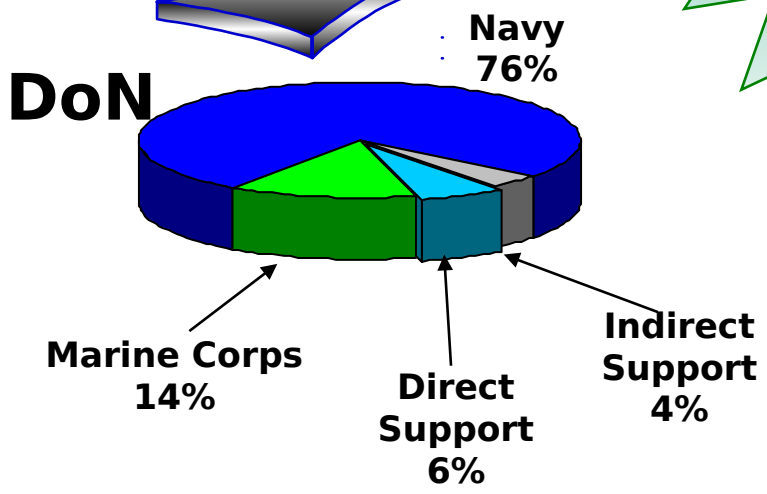
1. Sustain Our Unique Culture and Core Values
2. Marines and their Families
3. Remain Relevant to Current and Future Threats
4. Adapt Processes to Changing Dynamic World
5. Main Effort Excellence in Warfighting

-2003 CMC Guidance

- **Invest significantly in our people**
- **Increase warfighting readiness**
- **Invest in robust transformation**

Cost of the Corps (USMC Calculation - FYDP Avg)





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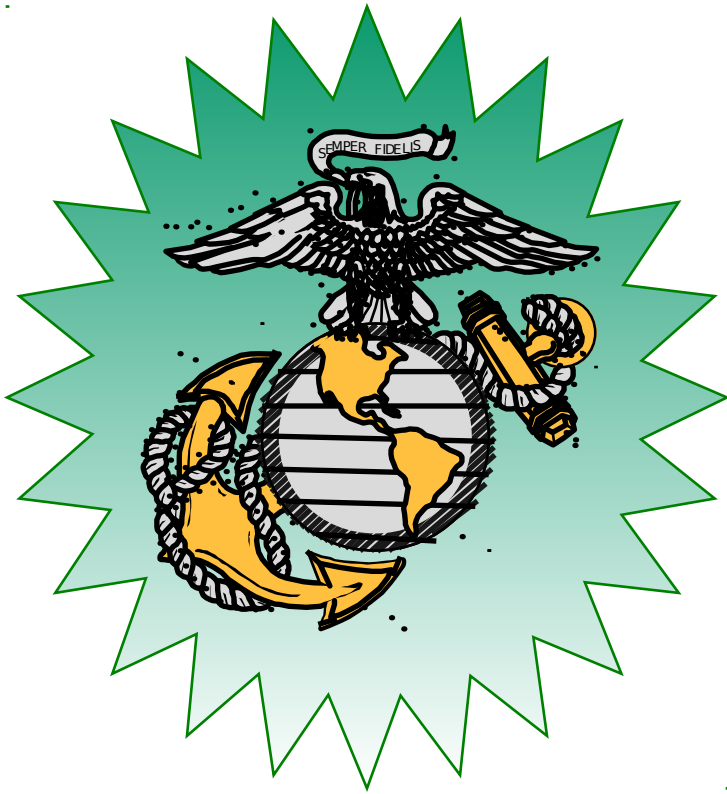

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(USMC TOA + Direct) / DoD TOA

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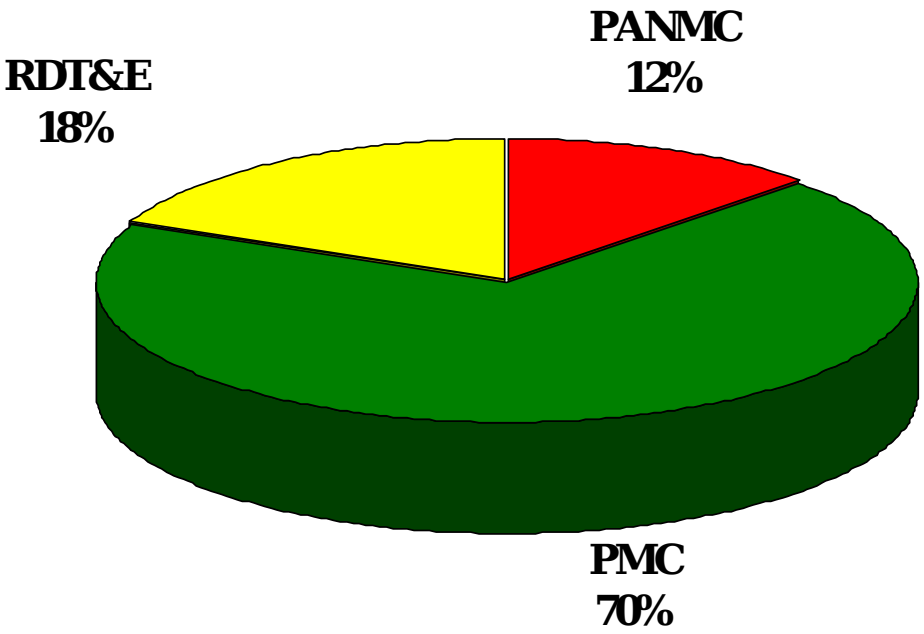
POM-04
Investment Distribution

FYDP Total: $17.4B

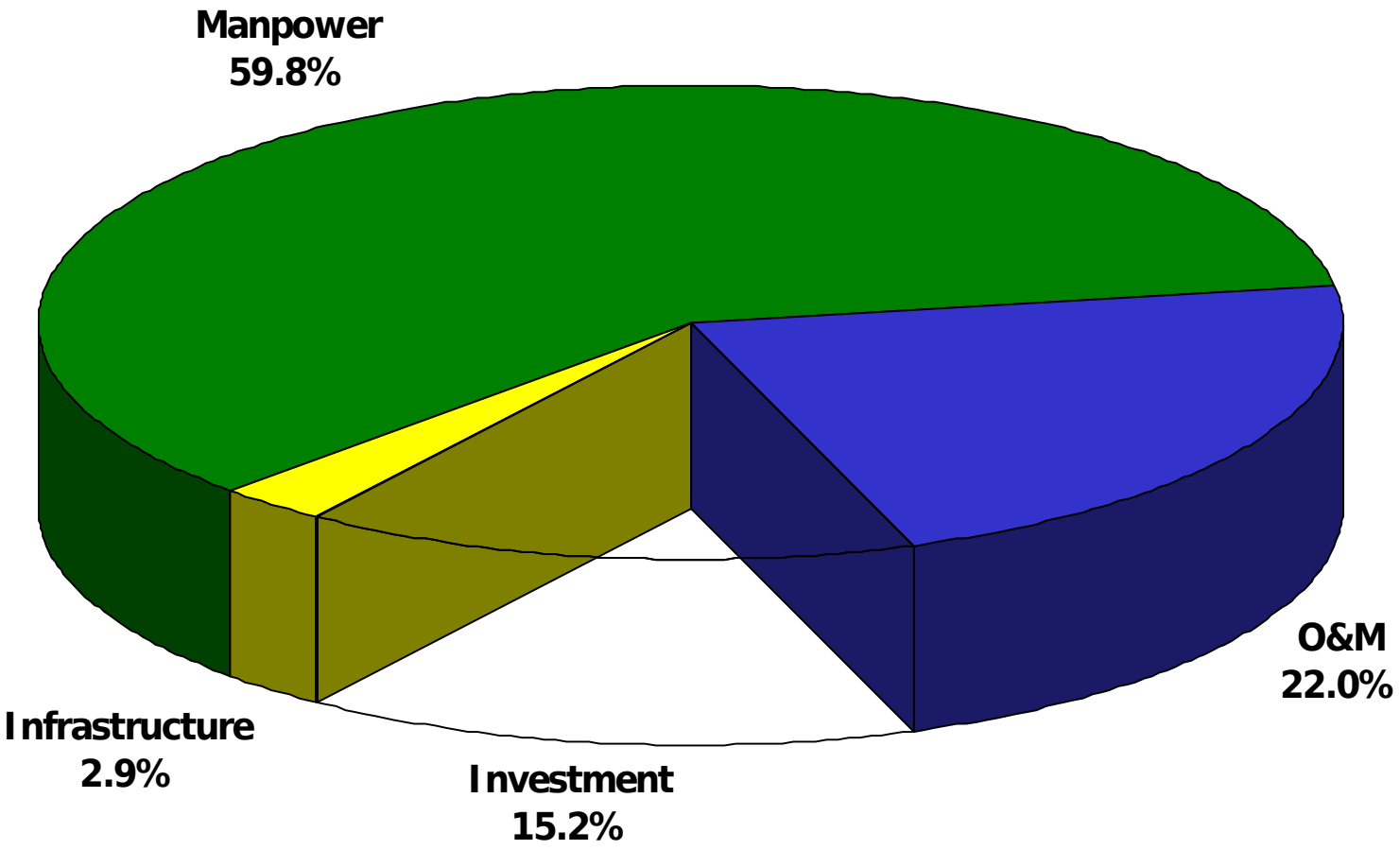


TY$M	FY04	FY05	FY06	FY07	FY08	FY09	Total
PB-03	2,039	2,313	2,650	3,061	-	-	10,063
POM-04	2,072	2,523	2,891	3,432	3,442	3,067	17,427
Delta	33	210	241	371	N/A	N/A	
% Increase	2%	9%	9%	12%	N/A	N/A	

USMC APPROPRIATIONS

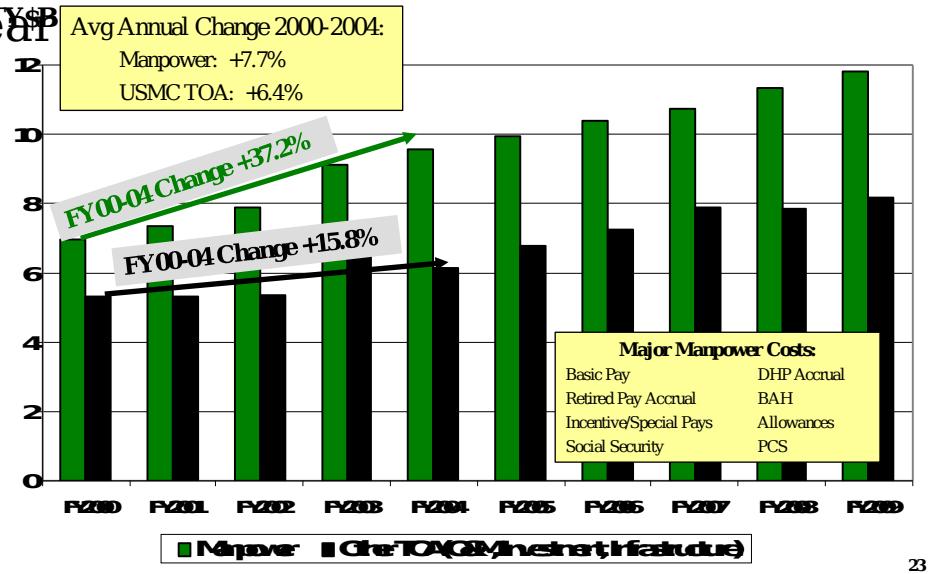
- **Military Manpower** *("1 Year Money")*
  - Military Personnel Marine Corps (MPMC)
  - Reserve Personnel Marine Corps (RPMC)
- **Investment** *(PMC, PANMC – 3 Year $, RDT&E – 2 Year $)*
  - Procurement Marine Corps (PMC)
  - Research Development Test & Evaluation (RDT&EMC)
  - Procurement Ammunition Navy and Marine Corps (PANMC)
- **Operation & Maintenance** *(1 Year $)*
  - Operation & Maintenance Marine Corps (OMMC)
  - Operation & Maintenance Marine Corps Reserve (OMMCR)
- **Infrastructure MILCON** *(3 Year $, FH – 2 Year $)*
  - Military Construction Navy & Marine Corps (MCNMC)
  - Military Construction Navy Reserve (MCNR)
  - Family Housing Marine Corps (FHMC)

Program Balance FY04-09



MANPOWER

- **Largest Marine Corps Appropriation**
- **Growing faster than TOA FY-00 to FY-04**
  - Basic Allowance for Housing (BAH); Imminent Danger Pay (IDP); Concurrent Receipt (Con. Receipt); Defense Health Program (DHP); Retirement Accruals
- **Smallest Degree of Flexibility**
- **Young Corps – 68% First-Term**
  - 39,000 recruits required each year
- **Issues**
  - Mobilization/Demobilization
  - Rate changes:
    set external to USMC
  - Shift to PPV housing

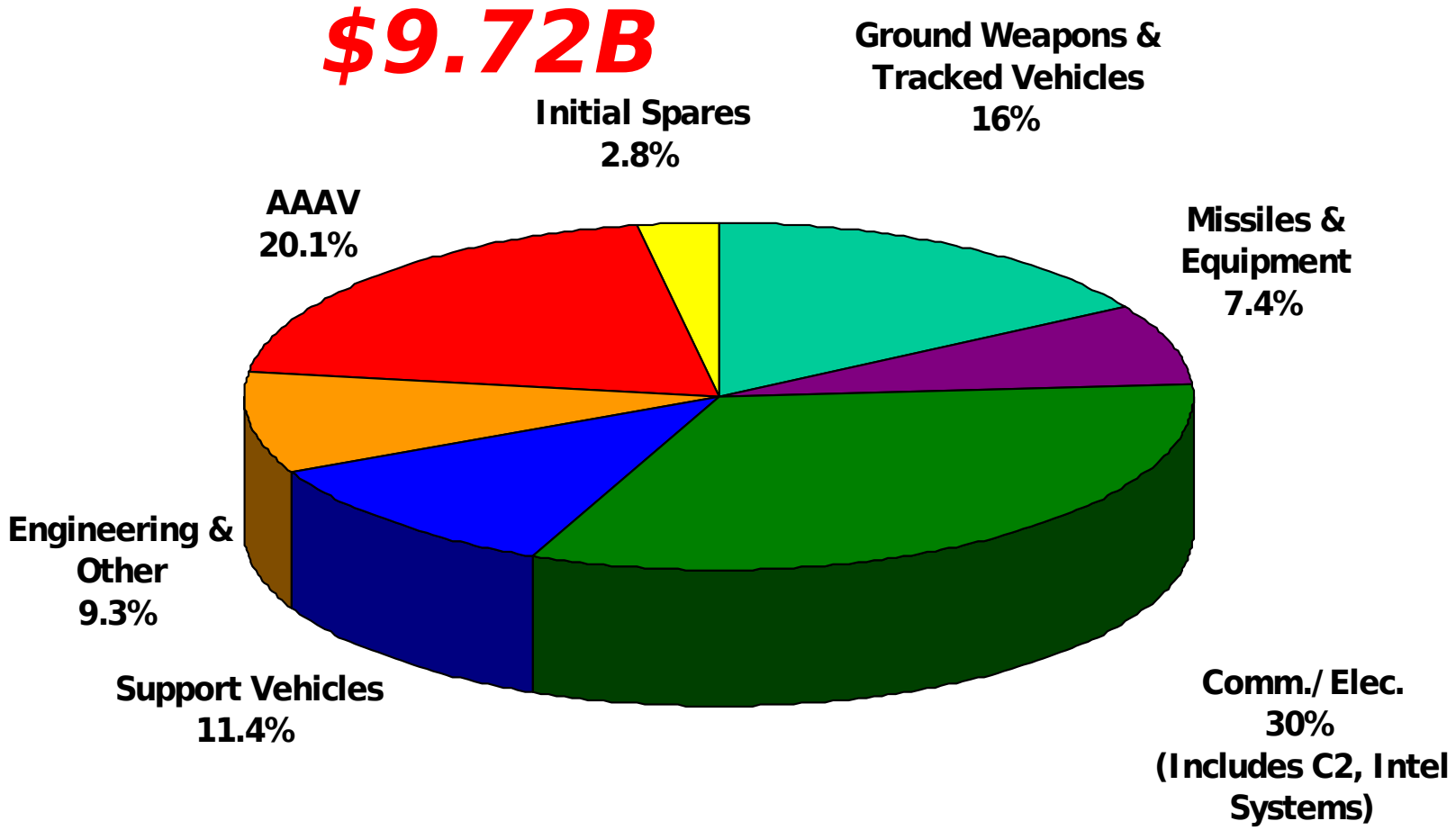


INVESTMENT

- Sacrificed to fund near-term readiness in the mid-90's…..still doing it!
- Rate of modernization is insufficient
- 7 major systems IOC in FYDP….AAAV Bigger than next 5.
- Lots of interest in how this money is spent
  - Within the Marine Corps
  - Focus on Transformation by SecD
  - Congressional

PR-05 PMC Distribution

FYDP Total: $9.72B


Ground Weapons & Tracked Vehicles 16%
Initial Spares 2.8%
AAAV 20.1%
Missiles & Equipment 7.4%
Engineering & Other 9.3%
Support Vehicles 11.4%
Comm./Elec. 30% (Includes C2, Intel Systems)

TOP 10 PR-05 PROCUREMENT PROGRAMS

TY$(M)

Program	FY2005	FY2006	FY2007	FY2008	FY2009	Total
Advanced Amphibious Assault Vehicle	308	440	451	665	888	2752
Unit Operations Center	53	61	152	167	158	590
High Mobility Multi-Wheeled Vehicle A2	150	143	163	133	0	588
High Mobility Artillery Rocket System	21	170	246	70	55	562
Marine Corps Common Hardware	70	82	98	99	101	450
LW-155	181	182	75	1	0	438
Joint Tactical Radio System	42	38	99	86	79	344
Follow-on to SMAW	18	65	76	62	121	343
Common Aviation C2 System	70	32	103	54	51	310
CLAWS	23	54	51	92	31	251

op Ten programs account for 46% of all Investment dollars.

Indicates Initial Operational Capability

OPERATIONS AND MAINTENANCE

- General perception that O&M equals readiness
  - Difficulty matching performance models & metrics to dollars spent
- Many “must pay” issues are in O&M programs
  - Non-discretionary….external models
    - Base Ops
    - Utilities
- Many O&M areas exhibiting real growth
- Difficult to analyze
  - ABC/ABM at bases and stations making progress
- CivPers Costs / Mil to Civ Conversions
  - A-76, Outsourcing, Regional Contracting

Infrastructure

- Military Construction
  - Achieves BEQ 2x0 standard by 2012
- Family Housing

  Achieves DPG goal of eliminating inadequate housing units by 2007 Public-Private Venture (PPV) is essential to USMC effort
- Facilities Sustainment, Restoration & Modernization (FSRM)
  - Funded Facilities Sustainment to 99% of OSD model across FYDP (to 93% in FY-05 = DoD minimum)
  - Funded Recapitalization rate to 71 years in [illegible] (OSD [illegible] 67 years)

[illegible]s read

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CE Advocate Requirements List (Cont)

POM 04 C4I Funded

FIRST IN COMMAND AND CONTROL SYSTEM
UNIT OPERATIONS CENTER, BLOCK UPGRADE
JOINT TACT TERMINAL/COMMON INTEGRATED BROADCAST SERVICE MODULES
LIGHTWEIGHT MUTIBAND SATELLITE TERMINAL PIP
TACTICAL DATA NETWORK PIP
GLOBAL BROADCAST SYSTEM
LEGACY SYSTEMS COMM/ELECT MODIFICATIONS
INTEL SYSTEMS READINESS
JOINT TACTICAL RADIO SYSTEMS
TROJAN SPIRIT II/(LITE)
MANPACK SECONDARY IMAGERY DISSEMINATION SYSTEM
GLOBAL COMMAND AND CONTROL SYSTEM/TACTICAL COMBAT OPERATIONS
MCCDC PRE-PHASE A ACTIVITIES
SMALL UNIT REMOTE SCOUTING SYSTEM
JOINT COMMUNICATIONS NETWORK PLANNING AND MANAGEMENT SYSTEM
TEAM PORTABLE COLLECTION SYSTEM-MULTI-PLATFORM CAPABLE/TPCS UPGRADE
COMMUNICATIONS EMITTER SENSING AND ATTACKING SYSTEM
TRANSITION SWITCH MODULE
SMART CARD
DEFENSE MESSAGE SYSTEM
SHF TRI-BAND REPLACMENT (FORMER STAR-T)
SECURE MOBILE ANTI-JAM RELIABLE TACTICAL TERMINAL PIP
IMPROVED AIRBORNE COMMAND AND CONTROL CAPABILITY
TACTICAL SYSTEMS PERIPHERAL REFRESH
DEFENSE ADVANCED GPS RECEIVER
MCTIS/COMBAT IDENTIFICATION
TACTICAL PHOTOGRAPHIC INTELLIGENCE CAPABILITY
COASTAL BATTLEFIELD RECONNAISSANCE ANALYSIS

CE Advocate Requirements List (Cont)
POM-04 TECOM Funded

COMBINED ARMS C2 TRAINING UPGRADE SYSTEM
SPECIAL EFFECTS SMALL ARMS MARKING SYSTEM
UNDERWATER EGRESS CAPABILITY
MULTIPLE INTEGRATED LASER ENGAGEMENT SYSTEM 2000
COMMAND AND CONTROL SYSTEMS TRAINING
TRAINING SUPPORT EQUIPMENT FOR TDN AND DTC
COMBAT CAMERA IMAGERY SYSTEM
DEPLOYABLE VIRTUAL TRAINING ENVIRONMENT

POM-04 TECOM Re-Competition Items (Either Unfunded or PMC in FY06-FY09)

REMOTED TARGET SYSTEM
INSTRUMENTATION SYSTEMS
TRAINING SYSTEMS MODIFICATIONS
SIMULATION CENTER INFRASTRUCTURE PROGRAM

CE Advocate PR-05 Priorities and Results

Title	CE Advocate Priority	PWG Ranking	FY2005 Cost	Offset/ Corporate Bill	Funding Source	Funded
Ammo Modernization		26	17220			
Tactical Data Network	2	28	21033	7000	GBS	X
Land Mobile Radio (MROC Decision)	3	47	35000			
Total Force Structure Management Systems (TFSMS)	4	8	7100	7100	TETS APSCE HMMWVA2 TSM	X
Lightweight Multiband Satellite Terminal (LMST)	5	32	34000			
Joint National Training Capability (JNTC) (new)	6	24	7150			
Joint Concept Development and Experimentation (JCDE) Salary Support	7	49	3000			
SIPRNET Access Improvements Aboard MCB Quantico (program increase)	8	11	575			
Deployable Virtual Training Environment (DVTE)	9		1900	1900	CMC Res	X
Center for Emerging Threats and Opportunities (CETO)	10	55	2500			
NMCI - Program Office	11	34	3000			
NMC I Seat Cost	11	56	19370			

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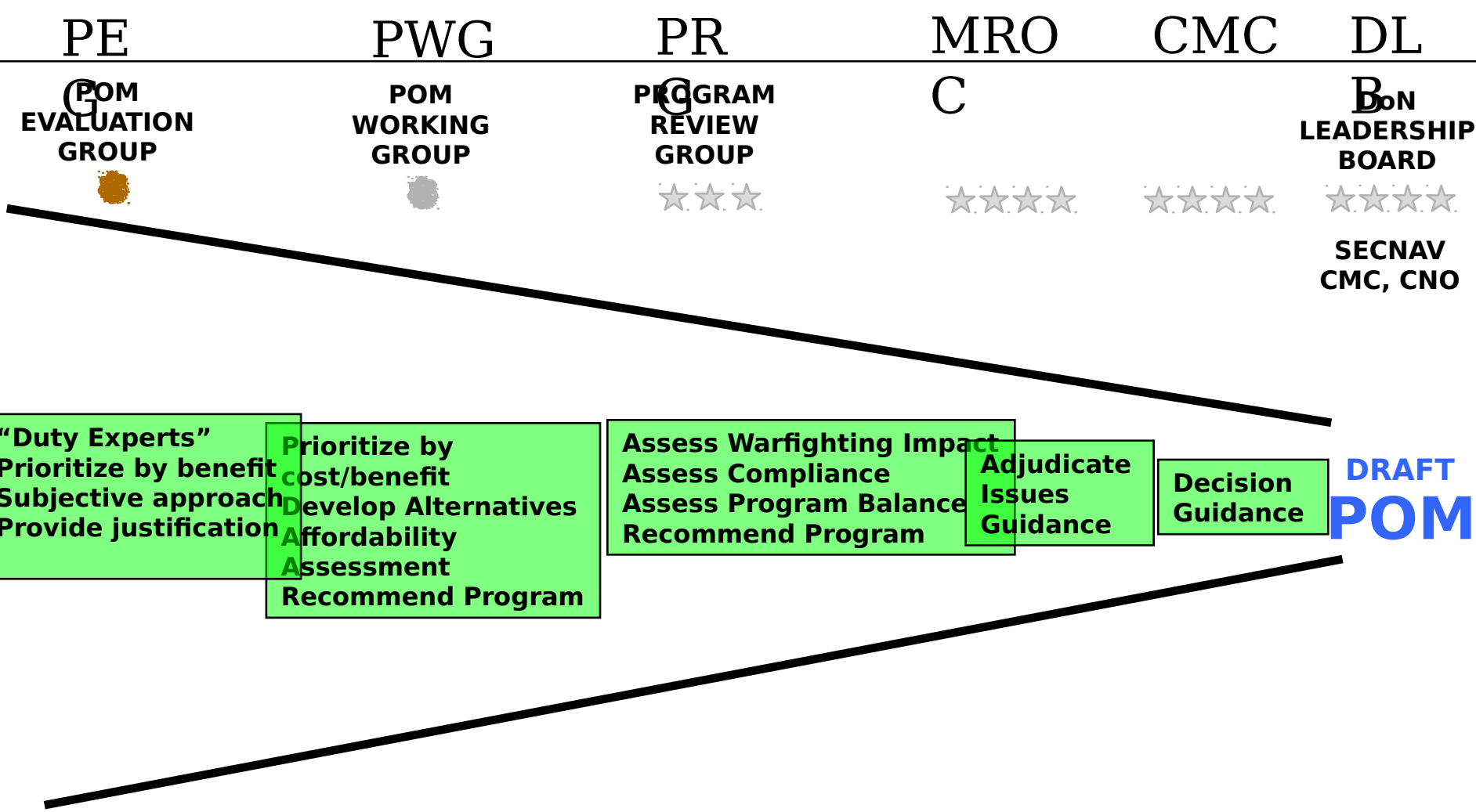
POM Committee Functions



PPBE Changes

- Management Initiative Decision (MID) 913
  - Two Year Planning, Programming, Budgeting and Execution Process
  - Four Year Cycle
    1. Review and Refinement
    2. Formalize the Agenda
    3. Execution and Guidance
    4. Ensuring the Legacy
  - Continues with combined Program/Budget Review
  - QDR in year 2
  - DPG developed in years 2 & 4, refined in off-years
  - Limited POM/BES submission in years 1 & 3
  - Restricted Fiscal Guidance in years 1 & 3
- Heavy emphasis on Cost-Benefit Analysis, Performance Models & Metrics
  - Development ongoing for Marine Corps

Marine Corps Program Development

- **Top-down Guidance**
- **Front-end Assessments**
- **Bottom-up Approach**
- **Fiscally Constrained**
- **Extensive Use of Benefit/Cost Analyses**
- **Prioritized**
- **Emphasizes Professional Judgment**
- **Committee approach through Commandant and SECNAV**

Goal is a Balanced Program that best fills Marine Corps Needs Within Existing Resources

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- ***ARL Process***
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Requirements Identification & Prioritization (Advocate Requirements List)

- **Purpose:**
  - Develop a prioritized list of **'New Starts'** or major modifications for competition in the POM
  - **Does NOT include 'Core' programs**
- **Players:** DC, CD, Advocates, MCSC, OpFors
  - Liaison with PM/PO's and Advocate Reps to provide SME expertise
  - Assist Advocates in developing mission area strategies/functional priorities
  - Review Preliminary and Final ARLs

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POM06 Road Ahead

- **MCCDC (EFDC)**
  - **Sep – Oct 03**
    - » Consolidate ARLs
    - » Create MRL
    - » Health of CE Advocacy Directed Study- P&R may not plan to do this
  - **Sep 03**
    - » Ammo Capabilities-Based Munitions Requirements (CBMR) Results
  - **Oct 03**
    - » AAO IPT

- **CEAB**
  - Aug 03 Refine/Update ARL
  - Aug 03 Prioritize/Sign ARL
  - Sep 03 Provide Acquisition Initiative Info Docs to MCSC
  - Nov 03 – Jan 04 Affordability Alternative Input

Definitions

- **ABOVE CORE – A Core Initiative that is seeking additional funding**
- **CORE – Portion of USMC TOA that has been set aside to pay obligations and protect prior decisions (set by P&R)**
- **NEW START – Initiative that has never competed in POM before**
- **ORD – Operational Requirements Document**
- **RECOMPETE – Initiative that has competed in previous POM and was not funded or was funded but not in the first two POM years**
- **ECL – Expeditionary Maneuver Warfare Capabilities List**

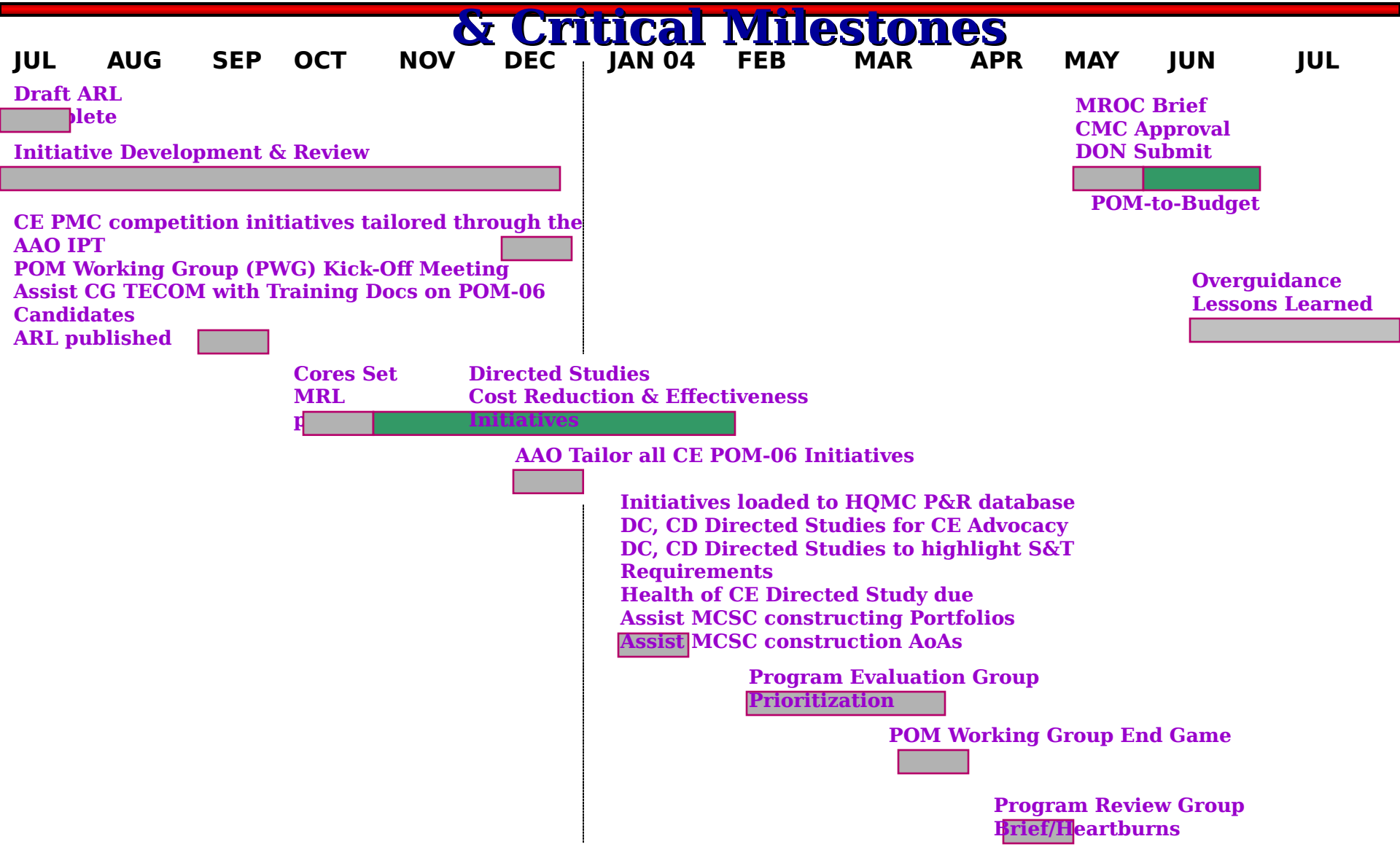
Requirements for POM Competition

- Does it have Requirements Documentation?
  - Universal Needs Statement (UNS)
  - Every investment initiative needs to have a Mission Needs Statement (MNS) or an Initial Capability Document (ICD)
  - Those initiatives requesting PMC in the first 2 years of the POM (FY06/07) should have an approved/signed Operational Requirements Document (Capability Development Document) and completed requisite supporting analysis
- Is it on the ECL?
- What is the ARL ranking?
- Are Funding Requirements defined? (Not considered by PEG but by PWG)
  - TOTAL program costs (i.e. O&M tails)
- Clear implementation plan
- Large impact
- Impact sooner rather than later

CE Advocate POM-06 Campaign Plan Reviewers

- COMMARFORRES
  - Major Art Penny
- CG, MCCDC
  - LtCol Ed Mays
- COMMARFORPAC
  - Mr. Kent Bradford
- COMMARFORLANT
  - Ms. Deborah Viviani
  - Ms. Kimberly Outten
- CGs, I/II/III MEF – N/A
- Director, Intel
  - LtCol Farley
  - Major Bates
- Director, Intel
  - LtCol Farley
  - Major Bates
- Director, EFDC
  - Major Cliff Chen
- CG, MCWL
  - Mr. Mike Crouch
- CG, TECOM
  - Mr. Larry Ramsey
  - Ms. Michele Jacobs
- Director, C4
  - Ms. Bev Runolfson
  - Major Fordham
- CG, MCSC
  - Mr. Don Shirk
  - Mr. John Olsavsky

Anticipated POM-06 Schedule of Events & Critical Milestones



Questions?

Backups

POM-04
PMC Appropriation

- AAAV procurement dominates in the outyears
  - ~$546M/year in FY08
  - ~$830M/year in FY09
- Next 6 Largest Programs:
  - High Mobility Multi-Wheeled Vehicle ($740M)
  - Lightweight 155 Howitzer ($547M)
  - Unit Operations Center ($544M)
  - High Mobility Artillery Rocket System ($371M)
  - Joint Tactical Radio System ($332M)
  - Logistical Vehicle System Replacement ($316M)

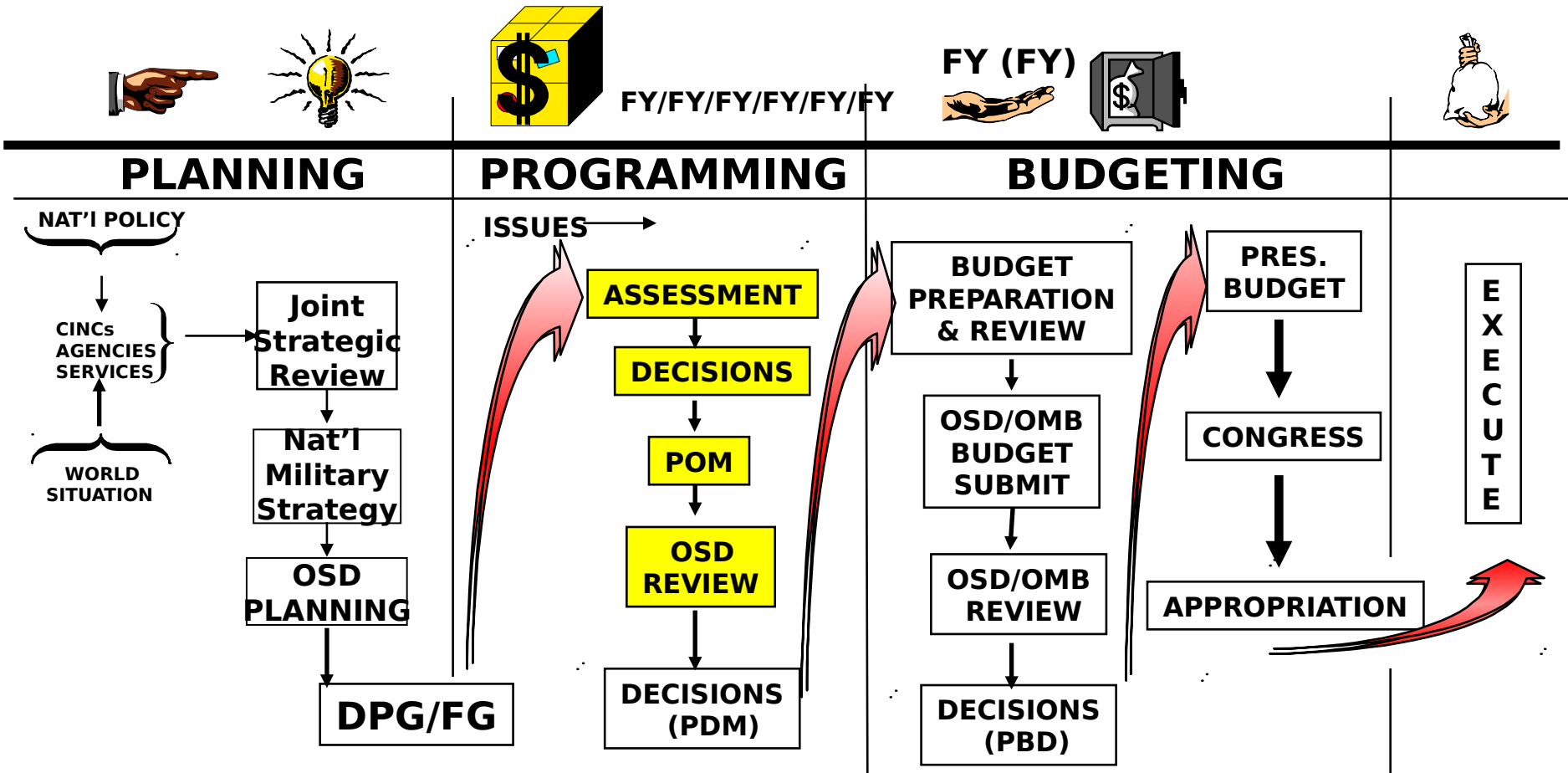
TY$M	FY04	FY05	FY06	FY07	FY08	FY09	Total
PB-03	1,142	1,589	1,939	2,325	--	--	6,995
T-POM	1,130	1,585	1,943	2,522	2,668	2,231	12,078
Delta	(12)	(4)	4	197	N/A	N/A	--

POM-04
RDT&E Appropriation

- Major Weapons Systems Transition to Procurement…….eg, AAAV
- S&T: PB-03 levels with 3% real growth per year
- Joint NLW program received a 72% increase ($25.263M/FY03 to $43.445/FY04). This was an OSD add.
- 6 Largest developmental costs:
  - Common Aviation Command & Control System ($252.0M)
  - AN/TPS-59 Long Range Radar ($91.5M)
  - Unit Operations Center ($84.3M)
  - Multi-Role Radar System ($80.9M)
  - Global Combat Support System – Marine Corps ($66.9M) – new start
  - Expeditionary Fire Support System ($48.9M) – new start

TY $M	FY04	FY05	FY06	FY07	FY08	FY09	Total
PB-03	606	422	392	334	--	--	1,754
POM	703	676	577	530	358	336	3,180
Delta	97	254	185	196	N/A	N/A	--

PPBE: The Process



USMC Programming Process